



Senate

General Assembly

File No. 285

February Session, 2014

Substitute Senate Bill No. 357

Senate, April 2, 2014

The Committee on Energy and Technology reported through SEN. DUFF of the 25th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING REVISIONS TO ENERGY STATUTES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (g) of section 16a-48 of the 2014 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2014*):

4 (g) Manufacturers of any new products set forth in subsection (b) of
5 this section [or designated by the Commissioner of Energy and
6 Environmental Protection] for which (1) no efficiency standards exist
7 in California, and (2) the Commissioner of Energy and Environmental
8 Protection adopts efficiency standards, shall certify to the
9 commissioner that such products are in compliance with the
10 provisions of this section, except that certification is not required for
11 single voltage external AC to DC power supplies and walk-in
12 refrigerators and walk-in freezers. All single voltage external AC to DC
13 power supplies shall be labeled as described in the January 2006
14 California Code of Regulations, Title 20, Section 1607 (9). The
15 commissioner shall promulgate regulations governing the certification

16 of such products. The commissioner shall publish an annual list of
17 [such] any new products set forth in subsection (b) of this section on
18 the department's Internet web site that designates which such products
19 are certified in California and which such products not certified in
20 California have demonstrated compliance with efficiency standards
21 adopted by the commissioner pursuant to subparagraph (B) of
22 subdivision (3) of subsection (d) of this section.

23 Sec. 2. (*Effective from passage*) (a) NuPower Thermal, LLC, with such
24 persons that shall be associated with it and each other for that purpose,
25 are constituted a body politic and corporate by the name of "The
26 Bridgeport Thermal Limited Liability Company" and shall constitute a
27 thermal energy transportation company, as defined in subsection (a) of
28 section 16-1 of the general statutes.

29 (b) The Bridgeport Thermal Limited Liability Company shall be
30 located in the city of Bridgeport.

31 (c) Notwithstanding the provisions of any general statute or any
32 special act, The Bridgeport Thermal Limited Liability Company is
33 authorized and empowered either directly or through the agency of its
34 parent, a subsidiary or an affiliate: (1) To furnish from a plant or plants
35 located in the city of Bridgeport, heat or air conditioning or both, by
36 means of hot or chilled water or other medium; (2) to lay, install and
37 maintain mains, pipes or other conduits, and to erect such other
38 fixtures and improvements as are or may be necessary or convenient in
39 and on the streets, highways and public grounds of said city or other
40 public highways and rights-of-way, for the purpose of carrying heated
41 or chilled water or other medium from such plant or plants to the
42 locations to be served and returning the same; and (3) to lease to one or
43 more corporations or limited liability companies formed under the
44 general law or specially chartered for the purpose of furnishing heat or
45 air conditioning, or both, one or more of such plants or distribution
46 systems, or both, owned by it and constructed or adapted for either or
47 both of such purposes.

48 (d) The amount of authorized membership units of The Bridgeport

49 Thermal Limited Liability Company and the required capital
50 contribution of each member shall be determined by the members of
51 said limited liability company in its operating agreement.

52 (e) The duration of The Bridgeport Thermal Limited Liability
53 Company shall be unlimited.

54 Sec. 3. Subsection (a) of section 16a-40g of the 2014 supplement to
55 the general statutes is repealed and the following is substituted in lieu
56 thereof (*Effective from passage*):

57 (a) As used in this section:

58 (1) "Energy improvements" means (A) participation in a district
59 heating and cooling system by qualifying commercial real property,
60 (B) participation in a microgrid, as defined in section 16-243y,
61 including any related infrastructure for such microgrid, by qualifying
62 commercial real property, provided such microgrid and any related
63 infrastructure incorporate clean energy, as defined in section 16-245n,
64 as amended by this act, (C) any renovation or retrofitting of qualifying
65 commercial real property to reduce energy consumption, [(C)] (D)
66 installation of a renewable energy system to service qualifying
67 commercial real property, or [(D)] (E) installation of a solar thermal or
68 geothermal system to service qualifying commercial real property,
69 provided such renovation, retrofit or installation described in
70 subparagraph [(B),] (C), [or] (D) or (E) of this subdivision is
71 permanently fixed to such qualifying commercial real property;

72 (2) "District heating and cooling system" means a local system
73 consisting of a pipeline or network providing hot water, chilled water
74 or steam from one or more sources to multiple buildings;

75 (3) "Qualifying commercial real property" means any commercial or
76 industrial property, regardless of ownership, that meets the
77 qualifications established for the commercial sustainable energy
78 program;

79 (4) "Commercial or industrial property" means any real property

80 other than a residential dwelling containing less than five dwelling
81 units;

82 (5) "Benefited property owner" means an owner of qualifying
83 commercial real property who desires to install energy improvements
84 and provides free and willing consent to the benefit assessment against
85 the qualifying commercial real property;

86 (6) "Commercial sustainable energy program" means a program that
87 facilitates energy improvements and utilizes the benefit assessments
88 authorized by this section as security for the financing of the energy
89 improvements;

90 (7) "Municipality" means a municipality, as defined in section 7-369;

91 (8) "Benefit assessment" means the assessment authorized by this
92 section;

93 (9) "Participating municipality" means a municipality that has
94 entered into a written agreement, as approved by its legislative body,
95 with the authority pursuant to which the municipality has agreed to
96 assess, collect, remit and assign, benefit assessments to the authority in
97 return for energy improvements for benefited property owners within
98 such municipality and costs reasonably incurred in performing such
99 duties; and

100 (10) "Authority" means the [Clean Energy Finance and Investment
101 Authority] Connecticut Green Bank.

102 Sec. 4. (*Effective from passage*) Not later than January 1, 2015, the
103 Connecticut Green Bank shall submit a report, in accordance with the
104 provisions of section 11-4a of the general statutes, to the joint standing
105 committee of the General Assembly having cognizance of matters
106 relating to energy. Such report shall assess the potential success and
107 need for a residential property assessed clean energy program,
108 including, but not limited to, an evaluation of (1) potential consistency
109 between such a program and the commercial property assessed clean
110 energy program, as described in section 16a-40g of the general statutes,

111 as amended by this act, and similar programs on the national level, (2)
112 the legal framework for a residential property assessed clean energy
113 program, and (3) the need for such a program, in light of similar
114 current or developing programs at the state or federal level.

115 Sec. 5. Section 16-245n of the general statutes is repealed and the
116 following is substituted in lieu thereof (*Effective from passage*):

117 (a) For purposes of this section, "clean energy" means solar
118 photovoltaic energy, solar thermal, geothermal energy, wind, ocean
119 thermal energy, wave or tidal energy, fuel cells, landfill gas,
120 hydropower that meets the low-impact standards of the Low-Impact
121 Hydropower Institute, hydrogen production and hydrogen conversion
122 technologies, low emission advanced biomass conversion technologies,
123 alternative fuels, used for electricity generation including ethanol,
124 biodiesel or other fuel produced in Connecticut and derived from
125 agricultural produce, food waste or waste vegetable oil, provided the
126 Commissioner of Energy and Environmental Protection determines
127 that such fuels provide net reductions in greenhouse gas emissions
128 and fossil fuel consumption, usable electricity from combined heat and
129 power systems with waste heat recovery systems, thermal storage
130 systems, other energy resources and emerging technologies which
131 have significant potential for commercialization and which do not
132 involve the combustion of coal, petroleum or petroleum products,
133 municipal solid waste or nuclear fission, financing of energy efficiency
134 projects, projects that seek to deploy electric, electric hybrid, natural
135 gas or alternative fuel vehicles and associated infrastructure, any
136 related storage, distribution, manufacturing technologies or facilities
137 and any Class I renewable energy source, as defined in section 16-1.

138 (b) On and after July 1, 2004, the Public Utilities Regulatory
139 Authority shall assess or cause to be assessed a charge of not less than
140 one mill per kilowatt hour charged to each end use customer of electric
141 services in this state which shall be deposited into the Clean Energy
142 Fund established under subsection (c) of this section. Notwithstanding
143 the provisions of this section, receipts from such charges shall be

144 disbursed to the resources of the General Fund during the period from
145 July 1, 2003, to June 30, 2005, unless the authority shall, on or before
146 October 30, 2003, issue a financing order for each affected distribution
147 company in accordance with sections 16-245e to 16-245k, inclusive, to
148 sustain funding of renewable energy investment programs by
149 substituting an equivalent amount, as determined by the authority in
150 such financing order, of proceeds of rate reduction bonds for
151 disbursement to the resources of the General Fund during the period
152 from July 1, 2003, to June 30, 2005. The authority may authorize in such
153 financing order the issuance of rate reduction bonds that substitute for
154 disbursement to the General Fund for receipts of both charges under
155 this subsection and subsection (a) of section 16-245m and also may in
156 its discretion authorize the issuance of rate reduction bonds under this
157 subsection and subsection (a) of section 16-245m that relate to more
158 than one electric distribution company. The authority shall, in such
159 financing order or other appropriate order, offset any increase in the
160 competitive transition assessment necessary to pay principal,
161 premium, if any, interest and expenses of the issuance of such rate
162 reduction bonds by making an equivalent reduction to the charges
163 imposed under this subsection, provided any failure to offset all or any
164 portion of such increase in the competitive transition assessment shall
165 not affect the need to implement the full amount of such increase as
166 required by this subsection and sections 16-245e to 16-245k, inclusive.
167 Such financing order shall also provide if the rate reduction bonds are
168 not issued, any unrecovered funds expended and committed by the
169 electric distribution companies for renewable resource investment
170 through deposits into the Clean Energy Fund, provided such
171 expenditures were approved by the authority following August 20,
172 2003, and prior to the date of determination that the rate reduction
173 bonds cannot be issued, shall be recovered by the companies from
174 their respective competitive transition assessment or systems benefits
175 charge, except that such expenditures shall not exceed one million
176 dollars per month. All receipts from the remaining charges imposed
177 under this subsection, after reduction of such charges to offset the
178 increase in the competitive transition assessment as provided in this

179 subsection, shall be disbursed to the Clean Energy Fund commencing
180 as of July 1, 2003. Any increase in the competitive transition
181 assessment or decrease in the renewable energy investment
182 component of an electric distribution company's rates resulting from
183 the issuance of or obligations under rate reduction bonds shall be
184 included as rate adjustments on customer bills.

185 (c) There is hereby created a Clean Energy Fund which shall be
186 within the [Clean Energy Finance and Investment Authority]
187 Connecticut Green Bank. The fund may receive any amount required
188 by law to be deposited into the fund and may receive any federal
189 funds as may become available to the state for clean energy
190 investments. Upon authorization of the [Clean Energy Finance and
191 Investment Authority] Connecticut Green Bank established pursuant
192 to subsection (d) of this section, any amount in said fund may be used
193 for expenditures that promote investment in clean energy in
194 accordance with a comprehensive plan developed by it to foster the
195 growth, development and commercialization of clean energy sources,
196 related enterprises and stimulate demand for clean energy and
197 deployment of clean energy sources that serve end use customers in
198 this state and for the further purpose of supporting operational
199 demonstration projects for advanced technologies that reduce energy
200 use from traditional sources. Such expenditures may include, but not
201 be limited to, providing low-cost financing and credit enhancement
202 mechanisms for clean energy projects and technologies,
203 reimbursement of the operating expenses, including administrative
204 expenses incurred by the [Clean Energy Finance and Investment
205 Authority] Connecticut Green Bank and Connecticut Innovations,
206 Incorporated, and capital costs incurred by the [Clean Energy Finance
207 and Investment Authority] Connecticut Green Bank in connection with
208 the operation of the fund, the implementation of the plan developed
209 pursuant to subsection (d) of this section or the other permitted
210 activities of the [Clean Energy Finance and Investment Authority]
211 Connecticut Green Bank, disbursements from the fund to develop and
212 carry out the plan developed pursuant to subsection (d) of this section,
213 grants, direct or equity investments, contracts or other actions which

214 support research, development, manufacture, commercialization,
215 deployment and installation of clean energy technologies, and actions
216 which expand the expertise of individuals, businesses and lending
217 institutions with regard to clean energy technologies.

218 (d) (1) (A) There is established the [Clean Energy Finance and
219 Investment Authority] Connecticut Green Bank, which shall be within
220 Connecticut Innovations, Incorporated, for administrative purposes
221 only. The [Clean Energy Finance and Investment Authority]
222 Connecticut Green Bank is hereby established and created as a body
223 politic and corporate, constituting a public instrumentality and
224 political subdivision of the state of Connecticut established and created
225 for the performance of an essential public and governmental function.
226 The [Clean Energy Finance and Investment Authority] Connecticut
227 Green Bank shall not be construed to be a department, institution or
228 agency of the state.

229 (B) The [Clean Energy Finance and Investment Authority]
230 Connecticut Green Bank shall (i) develop separate programs to finance
231 and otherwise support clean energy investment in residential,
232 municipal, small business and larger commercial projects and such
233 others as the [Clean Energy Finance and Investment Authority]
234 Connecticut Green Bank may determine; (ii) support financing or other
235 expenditures that promote investment in clean energy sources in
236 accordance with a comprehensive plan developed by it to foster the
237 growth, development and commercialization of clean energy sources
238 and related enterprises; and (iii) stimulate demand for clean energy
239 and the deployment of clean energy sources within the state that serve
240 end-use customers in the state.

241 (C) The Clean Energy Finance and Investment Authority shall
242 constitute a successor agency to Connecticut Innovations,
243 Incorporated, for the purposes of administering the Clean Energy
244 Fund in accordance with section 4-38d. The [Clean Energy Finance and
245 Investment Authority] Connecticut Green Bank shall constitute a
246 successor agency to the Clean Energy Finance and Investment

247 Authority for purposes of administering the Clean Energy Fund in
248 accordance with section 4-38d. The Connecticut Green Bank shall have
249 all the privileges, immunities, tax exemptions and other exemptions of
250 Connecticut Innovations, Incorporated, with respect to said fund. The
251 [Clean Energy Finance and Investment Authority] Connecticut Green
252 Bank shall be subject to suit and liability solely from the assets,
253 revenues and resources of said [authority] bank and without recourse
254 to the general funds, revenues, resources or other assets of Connecticut
255 Innovations, Incorporated. The [Clean Energy Finance and Investment
256 Authority] Connecticut Green Bank may provide financial assistance
257 in the form of grants, loans, loan guarantees or debt and equity
258 investments, as approved in accordance with written procedures
259 adopted pursuant to section 1-121. The [Clean Energy Finance and
260 Investment Authority] Connecticut Green Bank may assume or take
261 title to any real property, convey or dispose of its assets and pledge its
262 revenues to secure any borrowing, convey or dispose of its assets and
263 pledge its revenues to secure any borrowing, for the purpose of
264 developing, acquiring, constructing, refinancing, rehabilitating or
265 improving its assets or supporting its programs, provided each such
266 borrowing or mortgage, unless otherwise provided by the board or
267 said [authority] bank, shall be a special obligation of said [authority]
268 bank, which obligation may be in the form of bonds, bond anticipation
269 notes or other obligations which evidence an indebtedness to the
270 extent permitted under this chapter to fund, refinance and refund the
271 same and provide for the rights of holders thereof, and to secure the
272 same by pledge of revenues, notes and mortgages of others, and which
273 shall be payable solely from the assets, revenues and other resources of
274 said [authority] bank and such bonds may be secured by a special
275 capital reserve fund contributed to by the state. The [Clean Energy
276 Finance and Investment Authority] Connecticut Green Bank shall have
277 the purposes as provided by resolution of said [authority's] bank's
278 board of directors, which purposes shall be consistent with this section.
279 No further action is required for the establishment of the [Clean
280 Energy Finance and Investment Authority] Connecticut Green Bank,
281 except the adoption of a resolution for said [authority] bank.

282 (2) (A) The [Clean Energy Finance and Investment Authority]
283 Connecticut Green Bank may seek to qualify as a Community
284 Development Financial Institution under Section 4702 of the United
285 States Code. If approved as a Community Development Financial
286 Institution, said [authority] bank would be treated as a qualified
287 community development entity for purposes of Section 45D and
288 Section 1400N(m) of the Internal Revenue Code.

289 (B) Before making any loan, loan guarantee, or such other form of
290 financing support or risk management for a clean energy project, the
291 [Clean Energy Finance and Investment Authority] Connecticut Green
292 Bank shall develop standards to govern the administration of said
293 [authority] bank through rules, policies and procedures that specify
294 borrower eligibility, terms and conditions of support, and other
295 relevant criteria, standards or procedures.

296 (C) Funding sources specifically authorized include, but are not
297 limited to:

298 (i) Funds repurposed from existing programs providing financing
299 support for clean energy projects, provided any transfer of funds from
300 such existing programs shall be subject to approval by the General
301 Assembly and shall be used for expenses of financing, grants and
302 loans;

303 (ii) Any federal funds that can be used for the purposes specified in
304 subsection (c) of this section;

305 (iii) Charitable gifts, grants, contributions as well as loans from
306 individuals, corporations, university endowments and philanthropic
307 foundations;

308 (iv) Earnings and interest derived from financing support activities
309 for clean energy projects backed by the [Clean Energy Finance and
310 Investment Authority] Connecticut Green Bank;

311 (v) If and to the extent that the [Clean Energy Finance and
312 Investment Authority] Connecticut Green Bank qualifies as a

313 Community Development Financial Institution under Section 4702 of
314 the United States Code, funding from the Community Development
315 Financial Institution Fund administered by the United States
316 Department of Treasury, as well as loans from and investments by
317 depository institutions seeking to comply with their obligations under
318 the United States Community Reinvestment Act of 1977; and

319 (vi) The [Clean Energy Finance and Investment Authority]
320 Connecticut Green Bank may enter into contracts with private sources
321 to raise capital. The average rate of return on such debt or equity shall
322 be set by the board of directors of said [authority] bank.

323 (D) The [Clean Energy Finance and Investment Authority]
324 Connecticut Green Bank may provide financing support under this
325 subsection if said [authority] bank determines that the amount to be
326 financed by said [authority] bank and other nonequity financing
327 sources do not exceed eighty per cent of the cost to develop and
328 deploy a clean energy project or up to one hundred per cent of the cost
329 of financing an energy efficiency project.

330 (E) The [Clean Energy Finance and Investment Authority]
331 Connecticut Green Bank may assess reasonable fees on its financing
332 activities to cover its reasonable costs and expenses, as determined by
333 the board.

334 (F) The [Clean Energy Finance and Investment Authority]
335 Connecticut Green Bank shall make information regarding the rates,
336 terms and conditions for all of its financing support transactions
337 available to the public for inspection, including formal annual reviews
338 by both a private auditor conducted pursuant to subdivision (2) of
339 subsection (f) of this section and the Comptroller, and providing
340 details to the public on the Internet, provided public disclosure shall be
341 restricted for patentable ideas, trade secrets, proprietary or confidential
342 commercial or financial information, disclosure of which may cause
343 commercial harm to a nongovernmental recipient of such financing
344 support and for other information exempt from public records
345 disclosure pursuant to section 1-210.

346 (3) No director, officer, employee or agent of the [Clean Energy
347 Finance and Investment Authority] Connecticut Green Bank, while
348 acting within the scope of his or her authority, shall be subject to any
349 personal liability resulting from exercising or carrying out any of the
350 [Clean Energy Finance and Investment Authority's] Connecticut Green
351 Bank's purposes or powers.

352 (e) The powers of the [Clean Energy Finance and Investment
353 Authority] Connecticut Green Bank shall be vested in and exercised by
354 a board of directors, which shall consist of eleven voting and two
355 nonvoting members each with knowledge and expertise in matters
356 related to the purpose and activities of said [authority] bank appointed
357 as follows: The Treasurer or the Treasurer's designee, the
358 Commissioner of Energy and Environmental Protection or the
359 commissioner's designee and the Commissioner of Economic and
360 Community Development or the commissioner's designee, each
361 serving ex officio, one member who shall represent a residential or
362 low-income group appointed by the speaker of the House of
363 Representatives for a term of four years, one member who shall have
364 experience in investment fund management appointed by the minority
365 leader of the House of Representatives for a term of three years, one
366 member who shall represent an environmental organization appointed
367 by the president pro tempore of the Senate for a term of four years,
368 and one member who shall have experience in the finance or
369 deployment of renewable energy appointed by the minority leader of
370 the Senate for a term of four years. Thereafter, such members of the
371 General Assembly shall appoint members of the board to succeed such
372 appointees whose terms expire and each member so appointed shall
373 hold office for a period of four years from the first day of July in the
374 year of his or her appointment. The Governor shall appoint four
375 members to the board as follows: Two for two years who shall have
376 experience in the finance of renewable energy; one for four years who
377 shall be a representative of a labor organization; and one who shall
378 have experience in research and development or manufacturing of
379 clean energy. Thereafter, the Governor shall appoint members of the
380 board to succeed such appointees whose terms expire and each

381 member so appointed shall hold office for a period of four years from
382 the first day of July in the year of his or her appointment. The
383 president of the [Clean Energy Finance and Investment Authority]
384 Connecticut Green Bank shall be elected by the members of the board.
385 The president of the [Clean Energy Finance and Investment Authority]
386 Connecticut Green Bank and a member of the board of Connecticut
387 Innovations, Incorporated, appointed by the chairperson of the
388 corporation shall serve on the board in an ex-officio, nonvoting
389 capacity. The Governor shall appoint the chairperson of the board. The
390 board shall elect from its members a vice chairperson and such other
391 officers as it deems necessary and shall adopt such bylaws and
392 procedures it deems necessary to carry out its functions. The board
393 may establish committees and subcommittees as necessary to conduct
394 its business.

395 (f) (1) The board shall issue annually a report to the Department of
396 Energy and Environmental Protection reviewing the activities of the
397 [Clean Energy Finance and Investment Authority] Connecticut Green
398 Bank in detail and shall provide a copy of such report, in accordance
399 with the provisions of section 11-4a, to the joint standing committees of
400 the General Assembly having cognizance of matters relating to energy
401 and commerce. The report shall include a description of the programs
402 and activities undertaken during the reporting period jointly or in
403 collaboration with the Energy Conservation and Load Management
404 Funds established pursuant to section 16-245m.

405 (2) The Clean Energy Fund shall be audited annually. Such audits
406 shall be conducted with generally accepted auditing standards by
407 independent certified public accountants certified by the State Board of
408 Accountancy. Such accountants may be the accountants for the [Clean
409 Energy Finance and Investment Authority] Connecticut Green Bank.

410 (3) Any entity that receives financing for a clean energy project from
411 the fund shall provide the board an annual statement, certified as
412 correct by the chief financial officer of the recipient of such financing,
413 setting forth all sources and uses of funds in such detail as may be

414 required by the authority of such project. The [Clean Energy Finance
415 and Investment Authority] Connecticut Green Bank shall maintain any
416 such audits for not less than five years. Residential projects for
417 buildings with one to four dwelling units are exempt from this and
418 any other annual auditing requirements, except that residential
419 projects may be required to grant their utility companies' permission to
420 release their usage data to the [Clean Energy Finance and Investment
421 Authority] Connecticut Green Bank.

422 (g) There shall be a joint committee of the Energy Conservation
423 Management Board and the [Clean Energy Finance and Investment
424 Authority] Connecticut Green Bank board of directors, as provided in
425 subdivision (2) of subsection (d) of section 16-245m.

426 (h) (1) (A) Wherever the term "Clean Energy Finance and
427 Investment Authority" is used in the following general statutes, the
428 term "Connecticut Green Bank" shall be substituted in lieu thereof: 1-
429 79, 1-120, 1-124, 1-125, 7-233z, 16-244c, 16-245m, 16-245aa, 16-245bb, 16-
430 245ee, 16-245ff, 16-245hh, 16-245kk, 16-245ll, 16-245mm, 16a-40d to
431 16a-40g, inclusive, as amended by this act, 16a-40l, 16a-40m, 22a-200c
432 and 32-141.

433 (B) Wherever the term "authority" is used in the following general
434 statutes, the term "bank" shall be substituted in lieu thereof: 16-245aa,
435 16-245ff, 16-245hh, 16-245kk, 16-245ll, 16-245mm and 16a-40e to 16a-
436 40g, inclusive, as amended by this act.

437 (2) Wherever the term "Clean Energy Finance and Investment
438 Authority" is used in any public or special act of 2014, the term
439 "Connecticut Green Bank" shall be substituted in lieu thereof.

440 (3) The Legislative Commissioners' Office shall, in codifying the
441 provisions of this section, make such technical, grammatical and
442 punctuation changes as are necessary to carry out the purposes of this
443 section.

444 Sec. 6. Subsection (a) of section 16-243p of the 2014 supplement to

445 the general statutes is repealed and the following is substituted in lieu
446 thereof (*Effective from passage*):

447 (a) An electric distribution company may recover its costs and
448 investments that have been prudently incurred as well as its revenues
449 lost resulting from the provisions of sections 16-1, 16-19ff, 16-50k, 16-
450 50x, 16-243h to 16-243q, inclusive, 16-244c, 16-244e, 16-244u, 16-245d,
451 16-245m, 16-245n, as amended by this act, 16-245z, [and] 16-262i and
452 16a-40m and section 21 of public act 05-1 of the June special session.
453 The Public Utilities Regulatory Authority shall, after a hearing held
454 pursuant to the provisions of chapter 54, determine the appropriate
455 mechanism to obtain such recovery in a timely manner which
456 mechanism may be one or more of the following: (1) Approval of rates
457 as provided in sections 16-19 and 16-19e; (2) the energy adjustment
458 clause as provided in section 16-19b; or (3) the federally mandated
459 congestion charges, as defined in section 16-1.

460 Sec. 7. Section 16a-3f of the 2014 supplement to the general statutes
461 is repealed and the following is substituted in lieu thereof (*Effective*
462 *from passage*):

463 On or after January 1, 2013, the Commissioner of Energy and
464 Environmental Protection, in consultation with the procurement
465 manager identified in subsection (l) of section 16-2, the Office of
466 Consumer Counsel and the Attorney General, [may] shall, in
467 coordination with other states in the region of the regional
468 independent system operator, as defined in section 16-1, or on the
469 commissioner's own, solicit proposals, in one solicitation or multiple
470 solicitations, from providers of Class I renewable energy sources, as
471 defined in section 16-1, constructed on or after January 1, 2013. If the
472 commissioner finds such proposals to be in the interest of ratepayers
473 including, but not limited to, the delivered price of such sources, and
474 consistent with the requirements to reduce greenhouse gas emissions
475 in accordance with section 22a-200a, and in accordance with the policy
476 goals outlined in the Comprehensive Energy Strategy, adopted
477 pursuant to section 16a-3d, the commissioner [may] shall select

478 proposals from such resources to meet up to four per cent of the load
479 distributed by the state's electric distribution companies. The
480 commissioner [may] shall direct the electric distribution companies to
481 enter into power purchase agreements for energy, capacity and
482 environmental attributes, or any combination thereof, for periods of
483 not more than twenty years. Certificates issued by the New England
484 Power Pool Generation Information System for any Class I renewable
485 energy sources procured under this section shall be sold in the New
486 England Power Pool Generation Information System renewable energy
487 credit market to be used by any electric supplier or electric distribution
488 company to meet the requirements of section 16-245a. Any such
489 agreement shall be subject to review and approval by the Public
490 Utilities Regulatory Authority, which review shall commence upon the
491 filing of the signed power purchase agreement with the authority. The
492 authority shall issue a decision on such agreement not later than thirty
493 days after such filing. In the event the authority does not issue a
494 decision within thirty days after such agreement is filed with the
495 authority, the agreement shall be deemed approved. The net costs of
496 any such agreement shall be recovered through a fully reconciling
497 component of electric rates for all customers of electric distribution
498 companies. Such costs may include reasonable costs incurred by
499 electric distribution companies pursuant to this section.

500 Sec. 8. Section 16-345 of the general statutes is repealed and the
501 following is substituted in lieu thereof (*Effective October 1, 2015*):

502 As used in this chapter:

503 [(a)] (1) "Person" means an individual, partnership, corporation,
504 limited liability company or association, including a person engaged as
505 a contractor by a public agency but excluding a public agency.

506 [(b)] (2) "Public agency" means the state or any political subdivision
507 thereof, including any governmental agency.

508 [(c)] (3) "Public utility" means the owner or operator of
509 underground facilities for furnishing electric, gas, telephone, telegraph,

510 communications, pipeline, sewage, water, community television
511 antenna, steam, [or] traffic signal, fire signal or similar service,
512 including a municipal or other public owner or operator. A public
513 utility does not include the owner of facilities for utility service solely
514 for such owner's private residence.

515 [(d)] (4) "Central clearinghouse" means the [group of] organization
516 organized and operated by public utilities [formed] pursuant to section
517 16-348, as amended by this act, for the purposes of receiving and
518 giving notice of excavation, discharge of explosives and demolition
519 activity within the state.

520 [(e)] (5) "Excavation" means an operation for the purposes of
521 movement or removal of earth, rock or other materials in or on the
522 ground, or otherwise disturbing the subsurface of the earth, by the use
523 of powered or mechanized equipment, including but not limited to
524 digging, blasting, auguring, back filling, test boring, drilling, pile
525 driving, grading, plowing-in, hammering, pulling-in, trenching, [and]
526 tunneling, dredging, reclamation processes and milling; excluding [the
527 movement of earth by tools manipulated only by human or animal
528 power and] the tilling of soil for agricultural purposes. For the
529 purposes of this subdivision, dredging does not include dredging
530 associated with the production and harvesting of aquaculture crops.

531 [(f)] (6) "Demolition" means the wrecking, razing, rending, moving
532 or removing of any structure.

533 [(g)] (7) "Damage" includes, but is not limited to, the substantial
534 weakening of structural or lateral support of a utility [line] facility such
535 that the continued integrity of such utility facility is imperiled,
536 penetration or destruction of any utility [line] facility protective
537 coating, housing or other protective device or the severance, partial or
538 complete, of any utility [line] facility.

539 [(h)] (8) ["Approximate location of underground facilities"]
540 "Approximate location of an underground utility facility" means a strip
541 of land not more than three feet wide centered on the actual location of

542 an underground utility facility or a strip of land extending not more
543 than one and one-half feet on either side of the actual location of an
544 underground [facilities] utility facility.

545 Sec. 9. Section 16-346 of the 2014 supplement to the general statutes
546 is repealed and the following is substituted in lieu thereof (*Effective*
547 *October 1, 2015*):

548 No person, public agency or public utility shall engage in
549 excavation, [or] discharge of explosives [at or near the location of a
550 public utility underground facility or demolish a structure located at or
551 near or containing a public utility facility] or demolition without
552 having first ascertained the location of all underground facilities of
553 public utilities in the area of such excavation, discharge or demolition
554 in the manner prescribed in this chapter and in such regulations as the
555 [authority] Public Utilities Regulatory Authority shall adopt pursuant
556 to section 16-357.

557 Sec. 10. Section 16-347 of the general statutes is repealed and the
558 following is substituted in lieu thereof (*Effective October 1, 2015*):

559 A public utility shall [file] register with the [Public Utilities
560 Regulatory Authority the location of its] central clearinghouse the
561 geographic areas in which it owns or operates underground facilities,
562 [except facilities for storm sewers,] by reference to a standard [grid]
563 mapping system, to be established by the [authority] central
564 clearinghouse, and the title, address and telephone number of its
565 representative designated to receive the notice required by section 16-
566 349, as amended by this act.

567 Sec. 11. Section 16-348 of the general statutes is repealed and the
568 following is substituted in lieu thereof (*Effective October 1, 2015*):

569 The public utilities of the state shall, under the direction of the
570 Public Utilities Regulatory Authority, organize and operate a central
571 clearinghouse within the state for receiving and giving the notices
572 required by section 16-349, as amended by this act. The authority shall

573 apportion the cost of this service equitably among the public utilities,
574 [for those underground facilities registered with the authority, as
575 provided in section 16-347, except sanitary sewer or water facilities
576 owned or operated by] except a city, town or borough that owns or
577 operates only a sanitary sewer or water facilities.

578 Sec. 12. Section 16-349 of the general statutes is repealed and the
579 following is substituted in lieu thereof (*Effective October 1, 2015*):

580 Except as provided in section 16-352, as amended by this act, a
581 person, public agency or public utility responsible for excavating, [or]
582 discharging explosives [at or near the location of public utility
583 facilities] or demolishing [a structure containing a public utility
584 facility] shall notify the central clearinghouse of such proposed
585 excavation, discharge or demolition [, orally or in writing, at least two
586 full days, excluding Saturdays, Sundays and holidays, but not more
587 than thirty days before commencing such excavation, demolition or
588 discharge of explosives] in the manner prescribed by regulations
589 adopted pursuant to section 16-357. Such notice shall include the
590 name, address and telephone number of the [entity giving notice, the
591 name of the] person, public agency or public utility performing the
592 [work] excavation, discharge of explosives or demolition and the date,
593 location and type of excavation, demolition or discharge of explosives.
594 The central clearinghouse shall immediately transmit such information
595 to the public utilities whose facilities may be affected. In the event the
596 proposed excavation, demolition or discharge of explosives has not
597 [commenced] been completed within [thirty days] the allotted time
598 frame prescribed by regulation of such notification, or the excavation,
599 demolition or discharge of explosives will be expanded outside of the
600 location originally specified in such notification, the person, public
601 agency or public utility responsible for such excavation, demolition or
602 discharge of explosives shall again notify the central clearinghouse [at
603 least two full days, excluding Saturdays, Sundays and holidays, but
604 not more than thirty days before commencing or expanding such
605 excavation, demolition or discharge of explosives] in the manner
606 prescribed by regulations adopted pursuant to section 16-357.

607 Sec. 13. Section 16-351 of the 2014 supplement to the general statutes
608 is repealed and the following is substituted in lieu thereof (*Effective*
609 *October 1, 2015*):

610 A public utility receiving notice pursuant to section 16-349, as
611 amended by this act, shall inform the person, public agency or public
612 utility proposing to excavate, discharge explosives or demolish [a
613 structure] of the approximate location of its underground facilities in
614 the area in such manner as will enable such person, public agency or
615 public utility to establish the [precise] actual location of the
616 underground facilities, and shall provide such other assistance in
617 establishing the [precise] actual location of the underground facilities
618 as the authority may require by [regulation] regulations adopted
619 pursuant to section 16-357. Such person, public agency or public utility
620 shall designate the area of the proposed excavation, demolition or
621 discharge of explosives as the authority may prescribe by [regulation]
622 regulations adopted pursuant to section 16-357. The public utility
623 receiving notice shall mark the approximate location of its
624 underground facilities in such manner and using such methods,
625 including color coding, as the authority may prescribe by [regulation]
626 regulations adopted pursuant to section 16-357. If the [precise] actual
627 location of the underground facilities cannot be established, the
628 person, public agency or public utility shall so notify the public utility
629 whose facilities may be affected, which shall provide such further
630 assistance as may be needed to determine the [precise] actual location
631 of the underground facilities in advance of the proposed excavation,
632 discharge of explosives or demolition.

633 Sec. 14. Section 16-352 of the general statutes is repealed and the
634 following is substituted in lieu thereof (*Effective October 1, 2015*):

635 (a) In case of emergency involving danger to life, health or property
636 or which requires immediate correction to continue the operation of a
637 major industrial plant, or to assure the continuity of public utility
638 service, excavation or demolition without explosives may be made
639 without [the two day] notice required by section 16-349, as amended

640 by this act, provided notice thereof [by telephone] is given as soon as
641 reasonably possible.

642 (b) In case of an emergency involving an immediate and substantial
643 danger of death or serious personal injury, explosives may be
644 discharged if notice thereof is given at any time before discharge.

645 Sec. 15. Section 16-354 of the 2014 supplement to the general statutes
646 is repealed and the following is substituted in lieu thereof (*Effective*
647 *October 1, 2015*):

648 A person, public agency or public utility responsible for excavating,
649 discharging explosives or demolition shall exercise reasonable care
650 when working in proximity to the underground facilities of any public
651 utility and shall comply with such safety standards and other
652 requirements as the authority shall prescribe by [regulation]
653 regulations adopted pursuant to section 16-357. If the facilities are
654 likely to be exposed, such support shall be provided as may be
655 reasonably necessary for protection of the facilities. If [gas facilities are
656 likely to be exposed] excavation is within the approximate location of
657 facilities containing combustible or hazardous fluids or gases, only
658 hand digging or soft digging shall be employed. As used in this
659 section, "soft digging" means a nonmechanical and nondestructive
660 process used to excavate and evacuate soils at a controlled rate, using
661 high pressure water or air jet to break up the soil, often in conjunction
662 with a high power vacuum unit to extract the soil without damaging
663 the facilities.

664 Sec. 16. Section 16-355 of the general statutes is repealed and the
665 following is substituted in lieu thereof (*Effective October 1, 2015*):

666 When any contact is made with or any damage is suspected or done
667 to any underground facility of a public utility, the person, public
668 agency or public utility responsible for the operations causing the
669 contact, suspected damage or damage shall immediately notify the
670 public utility whose facilities have been affected, which shall dispatch
671 its own personnel as soon as reasonably possible to inspect the

672 underground facility and, if necessary, effect temporary or permanent
673 repairs. If a serious electrical short is occurring or if dangerous fluids
674 or gas are escaping from a broken line, the person, public agency or
675 public utility responsible for the operations causing the damage shall
676 alert all persons within the danger area and take all feasible steps to
677 insure the public safety pending the arrival of repair personnel. As
678 used in this section, "contact" includes, without limitation, the striking,
679 scraping or denting, however slight, of any underground utility
680 facility, [the structural or lateral support of an underground utility line
681 and] including any underground utility [line] facility protective
682 coating, housing or other protective device. "Contact" does not include
683 damage, as defined in section 16-345, as amended by this act.

684 Sec. 17. Section 16-356 of the general statutes is repealed and the
685 following is substituted in lieu thereof (*Effective October 1, 2015*):

686 Any person, public agency or public utility which the Public
687 Utilities Regulatory Authority determines, after notice and
688 opportunity for a hearing as provided in section 16-41, to have failed to
689 comply with any provision of this chapter or any regulation adopted
690 under section 16-357 shall forfeit and pay to the state a civil penalty of
691 not more than forty thousand dollars, provided any violation
692 involving the failure of a public utility to mark [the] any approximate
693 location of an underground [facilities] utility facility correctly or within
694 the timeframes prescribed by regulation, which violation did not result
695 in any property damage or personal injury and was not the result of an
696 act of gross negligence on the part of the public utility, shall not result
697 in a civil penalty of more than one thousand dollars. Notwithstanding
698 the provisions contained in subsection (d) of section 16-41, the person,
699 public agency or public utility receiving a notice of violation pursuant
700 to subsection (c) of section 16-41 shall have thirty days from the date of
701 receipt of the notice in which to deliver to the authority a written
702 application for a hearing.

703 Sec. 18. (NEW) (*Effective from passage*) The Public Utilities Regulatory
704 Authority may, upon application of a water company, as defined in

705 section 16-1 of the general statutes, order such water company to
706 extend its system to serve properties that the authority determines are
707 served by a deficient well system, as described in subdivision (2) of
708 subsection (a) of section 16-262n of the general statutes, as amended by
709 this act, if the authority determines that the net costs of extending
710 water service are reasonable. The cost recovery, rates and charges of
711 such extension shall be treated in the same manner as provided for
712 acquisitions pursuant to section 16-262o or 16-262s of the general
713 statutes.

714 Sec. 19. Subsection (a) of section 16-262n of the general statutes is
715 repealed and the following is substituted in lieu thereof (*Effective from*
716 *passage*):

717 (a) As used in this section, sections 16-262o to 16-262q, inclusive,
718 and section 16-262s, "water company" means either (1) a corporation,
719 company, association, joint stock association, partnership,
720 municipality, other entity or person, or lessee thereof, owning, leasing,
721 maintaining, operating, managing or controlling any pond, lake,
722 reservoir, stream, well or distributing plant or system employed for
723 the purpose of supplying water to not less than two service
724 connections or twenty-five persons, or (2) a deficient well system
725 serving existing properties within a defined geographic area with not
726 less than twenty-five persons served by private wells that (A) do not
727 meet public health standards for potable water, (B) have had funding
728 discontinued for filters provided pursuant to subsection (a) of section
729 22a-471 to respond to documented groundwater contamination, (C)
730 are otherwise unable to serve the existing properties with adequate
731 water quality, volume or pressure, or (D) limit the on-site resolution of
732 documented wastewater disposal issues in the system.

733 Sec. 20. (*Effective from passage*) The Public Utilities Regulatory
734 Authority shall study the feasibility of allowing a nonprofit entity to
735 aggregate electric meters that are billable to such entity. The study
736 shall include, but not be limited to, potential costs and benefits to
737 electric ratepayers for allowing such aggregation. On or before January

738 1, 2015, the authority shall report the findings of such study and any
 739 recommended statutory changes to the joint standing committee of the
 740 General Assembly having cognizance of matters relating to energy, in
 741 accordance with the provisions of section 11-4a of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014</i>	16a-48(g)
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	16a-40g(a)
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	16-245n
Sec. 6	<i>from passage</i>	16-243p(a)
Sec. 7	<i>from passage</i>	16a-3f
Sec. 8	<i>October 1, 2015</i>	16-345
Sec. 9	<i>October 1, 2015</i>	16-346
Sec. 10	<i>October 1, 2015</i>	16-347
Sec. 11	<i>October 1, 2015</i>	16-348
Sec. 12	<i>October 1, 2015</i>	16-349
Sec. 13	<i>October 1, 2015</i>	16-351
Sec. 14	<i>October 1, 2015</i>	16-352
Sec. 15	<i>October 1, 2015</i>	16-354
Sec. 16	<i>October 1, 2015</i>	16-355
Sec. 17	<i>October 1, 2015</i>	16-356
Sec. 18	<i>from passage</i>	New section
Sec. 19	<i>from passage</i>	16-262n(a)
Sec. 20	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In sections 3(a)(10) and 4, the "Clean Energy Finance and Investment Authority" was changed to the "Connecticut Green Bank" for internal consistency. In section 5(d)(1)(C), the first sentence was revised and the second sentence was added, for clarity and statutory consistency.

ET *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Clean Energy Finance and Investment Authority	Other - Cost	Less than \$30,000	None

Municipal Impact: None

Explanation

The bill renames Clean Energy Finance and Investment Authority (CEFIA) the Connecticut Green Bank. It is expected to cost less than \$30,000 to replace signage, stationary, and other office materials. CEFIA is primarily funded through a surcharge on electric utility bills.

The bill also makes a number of other changes that have no fiscal impact.

The Out Years

There are no annualized ongoing fiscal impacts as the cost is in FY 15 only.

OLR Bill Analysis**sSB 357*****AN ACT CONCERNING REVISIONS TO ENERGY STATUTES.*****SUMMARY:**

Among other provisions, the bill:

1. expands the scope of the Call Before You Dig program;
2. reduces circumstances under which products are required to certify compliance with state energy efficiency standards to the Department of Energy and Environmental Protection (DEEP);
3. allows certain microgrid investments to be financed under the Commercial Property Assessed Clean Energy (C-PACE) Program;
4. renames Clean Energy Finance and Investment Authority (CEFIA) as the Connecticut Green Bank;
5. requires it to submit a report to the Energy Committee on a residential property assessed clean energy program;
6. requires, rather than allows, DEEP to solicit proposals from providers of Class I renewable energy sources to provide up to 4% of the power distributed by electric companies (in practice, DEEP has already selected providers to meet this requirement);
7. specifically enables the Public Utilities Regulatory Authority (PURA) to order water companies to expand their systems to serve properties served by deficient well systems;
8. allows electric companies to recover costs, investments, and lost revenues incurred as a result of a residential clean energy on-

bill repayment program established by CEFIA and the Energy Conservation Management Board;

9. establishes “Bridgeport Thermal Limited Liability Company” as a thermal energy transportation company in Bridgeport; and
10. requires PURA to study allowing nonprofits to aggregate electric meters.

EFFECTIVE DATE: Upon passage, except for energy efficiency standards, which are effective on October 1, 2014, and Call Before You Dig provisions, which are effective October 1, 2015.

§§ 8-17 — CALL BEFORE YOU DIG

This bill expands the scope of, and makes several other changes to, the state’s Call Before You Dig program, which requires utility companies to file the locations of their underground facilities (e.g., pipelines) with a central clearinghouse operated by PURA. People must notify the clearinghouse before commencing certain projects. The clearinghouse notifies the utility, which provides the person, public agency, or other utility with its facilities’ approximate underground location. By law, those who violate provisions of statutes pertaining to Call Before You Dig may be subject to civil penalties.

Covered Utilities and Projects

The bill changes the definition of “public utility” to (1) include owners or operators of underground facilities that furnish communications and fire signal services, and (2) exclude owners of facilities that provide a utility service solely for the owner’s private residence. It also broadens the definition by including services similar to those already specified.

Any person, public agency, or public utility must currently notify the central clearinghouse when they propose to excavate, discharge explosives at or near the location of public utility facilities, or demolish a structure containing a public utility facility. This bill expands that requirement to include all discharge of explosives, regardless of

location, and all demolitions. It also expands the definition of “excavating” to include reclamation processes, milling, and dredging (except for dredging associated with the production and harvesting of aquaculture crops).

Underground Facility Locations

When a utility is providing someone with the approximate location of its underground facilities, current law requires it to identify a strip of land under three feet wide. The bill increases the location’s precision by requiring the strip of land to be centered on the underground facility’s actual location.

Currently, public utilities must file the location of their underground facilities (except for storm sewers) with PURA by reference to a standard grid system. This bill requires these public utilities to register the geographic areas in which they own or operate any underground facilities with the central clearinghouse by reference to a standard mapping system.

Notice Requirements

The bill also deletes statutory requirements concerning the timeline and methods for notifying the clearinghouse and instead directs PURA to promulgate regulations to govern this process. Current law requires notice to the clearinghouse when a project fails to start within the time allotted. The bill instead requires notice when the project does not end within that time.

Under certain emergency circumstances, current law allows an excavation or demolition to proceed without meeting the notice requirements as long as notice is given by telephone as soon as reasonably possible. The bill allows this notice to be given in any form.

Precautions for Combustible or Hazardous Fluids or Gases

Under current law, only hand digging can be used when gas facilities are likely to be exposed. The bill expands this precaution to cover facilities containing any combustible or hazardous fluids (e.g., oil) or gases, and requires such precautions whenever excavation is in

the approximate location of these facilities. In addition to hand digging, it allows “soft digging,” which it defines as a nonmechanical and nondestructive process to excavate and evacuate soils at a controlled rate using high pressure water or an air jet to break up the soil.

Damages

By law, when damage to a public utility’s underground facility is suspected, the person or utility responsible for causing the damage must immediately notify the utility that owns the facility.

Current law defines “damage” as including the substantial weakening of structural or lateral support of a utility line. The bill expands that definition to include any utility facility and specifies that the substantial weakening imperils the continued integrity of the facility.

§ 1 — PRODUCT ENERGY EFFICIENCY STANDARDS

The bill reduces the types of products subject to a requirement to certify to DEEP compliance with energy efficiency standards. Current law requires this certification for certain electronic products (e.g., commercial clothes washers, DVD players).

By law, a variety of types of products are subject to energy efficiency standards. Some of these are listed in statutes and the DEEP commissioner may designate other types of products. Current law requires manufacturers of new products that are subject to these standards (e.g., a new model of commercial clothes washer) to certify to DEEP that the product meets the standards. The bill limits the requirement to those products (1) for which DEEP has adopted efficiency standards, and (2) that do not have efficiency standards in California.

The bill also requires DEEP to publish on its website a list of any new products from these categories showing whether the products are certified in California or have met efficiency standards adopted by DEEP.

§§ 3-6 — CEFIA***Microgrids***

This bill expands the energy improvements eligible for participation in the C-PACE program to include participation in a microgrid that incorporates clean energy. By law, under this program, CEFIA can enter into an agreement with a commercial property owner in participating municipalities to finance energy efficiency or renewable energy improvements. The cost of the improvements is repaid by an assessment on the property, backed by a lien on the property.

By law, a “microgrid” is a group of interconnected electricity users and generators that (1) is within clearly defined boundaries and acts as a single controllable entity in respect to the larger grid and (2) can operate as either a part of the grid or independent of it. Current law defines “clean energy” to include, among other sources, solar photovoltaic, wind, fuel cells, and certain types of hydropower.

Report

The bill also requires CEFIA, by January 1, 2015, to submit a report on a residential property assessed clean energy program. The report must evaluate (1) the potential consistency between such a program and C-PACE and similar national programs, and (2) the legal framework and need for such a program.

Name Change

Finally, the bill renames CEFIA as the Connecticut Green Bank, and makes conforming changes throughout the statutes. It makes the Connecticut Green Bank a successor agency to CEFIA for purposes of administering the Clean Energy Fund.

§ 7 — CLASS I RENEWABLE ENERGY SOURCES

The bill requires, rather than allows, the DEEP commissioner to solicit proposals from providers of Class I renewable energy sources built on or after January 1, 2013. He must do this in conjunction with the (1) state official who procures power for the standard service that electric companies provide to customers who have not chosen

competitive suppliers, (2) Office of Consumer Counsel, and (3) attorney general. He may do this in coordination with other New England states.

If the commissioner finds the proposals are in ratepayers' interest and consistent with (1) the policy goals outlined in the Comprehensive Energy Strategy and (2) state's goals to reduce greenhouse gas emissions, he must select proposals to provide up to 4% of power distributed by the electric companies. He must direct the electric companies to enter into agreements for up to 20 years with the providers. The agreements must be for energy, generating capacity, and environmental attributes (e.g., the renewable energy credits (RECs) used to comply with the renewable portfolio standard (RPS)), or any combination of them. The agreements are subject to PURA review and approval. A review must start when an agreement is filed with PURA. If PURA does not issue a decision within 30 days, the agreement is deemed approved.

The RECs bought under the agreements must be sold in the regional market to be used by suppliers and electric companies to meet their Connecticut RPS requirements.

The net costs of the agreements must be recovered through a fully reconciling component of electric rates for all of the electric companies' customers. These costs may include reasonable costs incurred by electric companies under this provision.

§§ 18 & 19 — WATER SYSTEM EXTENSIONS

The bill expands PURA's jurisdiction with regard to troubled water providers. While PURA's rate regulatory jurisdiction is limited to investor-owned companies, it has jurisdiction over a broader range of "water companies" that (1) do not comply with PURA or Department of Public Health (DPH) orders regarding the availability or potability of water or providing water at adequate volume and pressure or (2) are not economically viable, as determined by PURA. In such circumstances, a "water company" is any private or public entity or

person that owns a supply source (e.g., wells) or distribution system that supplies water to at least 25 persons or two service connections (e.g., master-metered apartment buildings). PURA can, after notice and hearing, determine the actions that may be taken and the expenditures that may be required. These can include the acquisition of a troubled water company by a suitable public or private entity.

The bill expands the definition of water company, for these purposes, to specifically include deficient well systems. These systems serve existing properties within a defined geographic area with at least 25 people served by private wells that (1) fail to meet public health standards for potable water; (2) have had state funding for filters to address documented groundwater contamination discontinued; (3) are otherwise unable to serve the existing properties with adequate water quality, volume, or pressure; or (4) limit on-site resolution of documented wastewater disposal issues in the system.

The bill allows PURA, at the request of an investor-owned water company, to order the company to extend its system to supply water to properties that PURA determines are served by a deficient well system. The company may recover any costs of such an extension as they would for acquisitions (i.e., through a rate surcharge).

It appears that PURA may be limited in its ability to order a water company to extend service by exclusive service areas created by water utility coordinating committees and approved by the Department of Public Health (DPH). It is unclear how these provisions would apply if the extension was in the exclusive service area of another water utility. Current law allows PURA to order acquisition of a water company for various reasons, but they must do so in consultation with (DPH).

§ 2 — BRIDGEPORT THERMAL LIMITED LIABILITY COMPANY

The bill allows members of NuPower Thermal, LLC to form a thermal energy transportation company, under the name Bridgeport Thermal Limited Liability Company, for an unlimited duration in the city of Bridgeport. The bill allows the company, its parent, subsidiary,

or affiliate to (1) provide heat or air conditioning from plants located in Bridgeport; (2) install mains, pipes, or other fixtures on public grounds; and (3) lease their plants or distribution systems to other companies authorized to furnish heat or air conditioning. The bill requires company's members to determine capital contribution requirements for members and the number of authorized membership units.

§ 20 — PURA STUDY

Finally, the bill requires PURA to study the feasibility of allowing a nonprofit entity to aggregate electric meters that are billable to such an entity. The study must include potential costs and benefits to electric ratepayers for allowing such an aggregation. The findings of the study must be reported to the Energy and Technology Committee by January 1, 2015.

BACKGROUND

Related Bill

Senate Bill 240, favorably reported by the Environment Committee, makes changes to the energy efficiency standards for products that are very similar to the changes made in this bill.

Residential PACE Program

Connecticut and 23 other states have passed legislation authorizing municipalities or counties to establish PACE programs. However, the Federal Housing Finance Agency's (FHFA) has several objections to these programs, and has taken action that has precluded mortgages with PACE liens from being sold on the secondary mortgage market. These actions have largely stopped the implementation of PACE programs with regard to residential properties across the country.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 16 Nay 7 (03/18/2014)